

PROOF OF CLAIM

Name of Debtor
Debit Corporation of America, Inc.

Case Number
04-14360 - BKC - AJC

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503. (See Local Rule 3001-1(B))

IMPORTANT: THIS CLAIM FORM
SHOULD ONLY BE USED BY THE
CREDITOR WHOSE NAME IS
PRINTED ON THIS CLAIM FORM.

Name of Creditor (The person or other entity to whom the debtor owes money or property):
Norman Klugman
Name and Address where notices should be sent:

Norman Klugman
c/o Gary D Stokes
Lamberth Cifelli Stokes Stout
3343 Peachtree Rd NE 550
Atlanta GA 30326-1428

Telephone Number:

- ☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
☐ Check box if you have never received any notices from the bankruptcy court in this case.
☐ Check box if the address differs from the address on the envelope sent to you by the court.

Account or other number by which creditor identifies debtor:
(If SS# only list last 4 digits of SS#): ID# 003961

Check here if ☐ replaces
this claim ☐ amends a previously filed claim, dated _____

1. Basis for Claim

- ☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other Fraud and misrepresentation

- ☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensation (fill out below)
Last four digits of SS #: xxx-xx-
Unpaid compensation for services performed
from _____ to _____
(date) (date)

2. Date debt was incurred:

9/11/03 and 10/01/03

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: \$76,515.00 + _____ + _____ = \$76,515.00
(Unsecured Nonpriority) (Secured) (Unsecured Priority) (Total)

Complete items 5, 6, and 7 (as applicable) to further describe the amount(s) you indicated in item 4.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim.

☐ Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:

- ☐ Real Estate ☐ Motor Vehicle
☐ Other _____

Value of Collateral: \$ _____

Amount of arrearage and other charges at the time the case was filed included in secured claim, if any: \$ _____

6. Unsecured Nonpriority Claim \$ _____

☐ Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority.

7. Unsecured Priority Claim.

☐ Check this box if you have an unsecured priority claim

Amount entitled to priority \$ _____

Specify the priority of the claim:

- ☐ Wages, salaries, or commissions (up to \$4,925)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).
☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).
☐ Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6).
☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____).

*Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after date of adjustment.

8. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

9. Supporting Documents: Attach legible copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. Supporting documents should not exceed 5 pages (See reverse for instructions)

10. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim. Research and/or copy charges will apply for future copy requests of claims.

THIS SPACE IS FOR COURT USE ONLY

Date
6/16/04

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):

Norman Klugman
Gary D. Stokes, Attorney for A

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

PURCHASE ORDER
DEBIT CORPORATION
OF AMERICA, INC.

3475 Sheridan Street, Suite 215F, Hollywood, FL 33021
Phone: (954) 981-4447 • Fax: (954) 981-4421
Toll Free: (800) 468-3213 • Fax: (800) 468-1836

ID# 003961
County FULTON - GWINNET

Purchaser's Name NORMAN KLUGNIN (BRADNION LLC) Date _____
Purchaser's Address 3321 BUCKHEAD FOREST MEWS
City ATLANTA State GA Zip 30305
Home Phone 404 842.2993 Business Phone 404 909.0088

No. of Sales
Systems to ship: 3

Face Value of Prepaid MasterCard
Activation Certificates to ship: 3000

Purchase Price Sales Systems	\$ <u>14915.00</u>
Purchase Price of Additional Items	\$ <u>N/C</u>
Total	\$ <u>14915.00</u>
Sales Tax (FL Residents Only)	\$ <u>N/A</u>
Amount Paid	\$ <u>14915.00</u>

Special Provisions _____

Purchaser acknowledges the receipt of all Disclosure Documents of Seller ten (10) business days prior to acceptance and deposit of funds and that **this sale is subject to the terms on the reverse of this Purchase Order.**

ACCEPTED AND APPROVED

By: _____ By: Norman Klugin FOR BRADNION LLC
COMPANY OFFICER BUYER

AIN # BO2403

EXHIBIT "A"

I have read and agree to the Terms and
Conditions on the back of this Purchase Order.

TERMS AND CONDITIONS

The Seller agrees to sell and the Buyer agrees to buy the equipment and/or product described on the reverse at the price described on the following terms and conditions:

1. The Seller agrees to ship the equipment and/or products within forty-five (45) days from receipt of this Purchase Order accompanied by full payment. Delivery shall be subject to and contingent upon strikes, labor difficulties, fire, storm delay or defaults of common carriers, failure or curtailment in Seller's usual source of supply, government decrees or orders, or any other delays beyond the Seller's reasonable control, and the Seller shall not be liable for any loss or damage arising therefrom. Buyer may cancel the order by written notice delivered to Seller prior to the shipment if the order is not delivered within forty-five (45) days of receipt of the Purchase Order and payment from the Buyer. Title to the product and/or goods shall not pass to the Purchaser until total due is paid in full. Products and/or goods purchased are for a business purpose. Delivery and location of displays and/or products are Purchaser's responsibility, and all products and/or goods are F.O.B. company warehouse.
2. The manufacturer guarantees to replace, or at its option, repair any products or parts thereof which are found to be defective in material or workmanship within one (1) year from the date of purchase except for the video component, 90 days for labor, and 2 years for picture tube. The obligation with respect to such products shall be limited to replacement or repair F.O.B., Manufacturer, and in no event shall the Seller be liable for consequential or special damages, or for transportation in connection with such products or parts. This warranty is expressly made in lieu of all other warranties express or implied, including the warranties of merchantability and fitness.
3. This Purchase Order is intended by the parties as a complete and final expression of the entire Purchase Agreement between the parties and as a complete and exclusive statement of its terms. Both the front and back of the Purchase Order have been read and agreed to by Purchaser and Purchaser hereby acknowledges he/she has done so with a clear understanding of this Purchase Order and all of its terms and provisions. Purchaser has been given the opportunity to have an attorney review this document. Buyer understands and agrees that Seller offers no buy-backs, money back guarantees, or refunds. Buyer agrees that he/she is not relying upon any verbal or written representations whatsoever, except as expressly set forth in this Purchase Order. Buyer acknowledges and agrees that Seller does not guarantee or represent that the units when installed, will guarantee any minimum earnings as the earnings from them are rendered by the Buyer, all of which factors are beyond the control of the Seller. This Purchase Order can only be modified in writing, signed by the parties, or their duly authorized agents. Deposits are not refunded if approved for distributorship. Seller reserves the right to modify and upgrade changes in packaging and product content for the betterment of the product line.
4. Any dispute under this Purchase Order shall be settled by arbitration before the American Arbitration Association of South Florida in accordance with their rules and procedures. Judgement on the award of the American Arbitration Association may be entered in any Court of competent jurisdiction. Interpretation of this Purchase Order shall be determined by the laws of the State of Florida. Exclusive venue for the resolution of disputes shall be in Miami-Dade County, Florida.
5. Any action arising out of this Purchase Order shall be appealed to the Third District Court of Appeals in the state of Florida. Any action taken in federal court pertaining to or arising under this Agreement, shall be to the United States District Court for the Southern District of Florida.
6. Sales tax required on displays purchased by Florida residents.
7. Seller will provide Purchaser with items as herein provided for the specified price as determined. Seller shall ship F.O.B. company warehouse to the Purchaser's address as stated herein. In addition, Seller will give Purchaser an opportunity to purchase additional products upon request by Purchaser.
8. Seller agrees to appoint and maintain during the term of this Agreement an agent for the receipt of service of process within the State of Florida with respect to any action arising out of or based upon the relationship between the Seller and Purchaser. Seller's agent for service at the present time is Jack Gordon, 3475 Sheridan Street, Suite 215F, Hollywood, FL 33021. Seller reserves the right to change its agent for service at anytime and will provide written notice to Purchaser if such an event occurs prior to the completion of any sale.
9. Purchaser agrees and understands that any and all locations are the responsibility of the Purchaser and ultimately it is the Purchaser's responsibility to independently locate the units sold. Seller agrees to assist in scheduling appointments for the Buyer to help locate units sold.
10. Purchaser agrees, understands and acknowledges that the relationship between Seller and Purchaser is that of a distributor and that a distributor is defined as a purchaser of goods from a seller.
11. Purchaser agrees to comply with all Federal, State and Municipal laws relating to their business, and will not engage in any intentional unlawful or illegal trade practices or business activity.
12. Purchaser shall be responsible for all Federal, State and Local taxes as well as all licenses required to do business and shall act as an independent contractor in all matters concerning Purchaser's business.
13. It is acknowledged by Purchaser that this is not a franchise offering nor a security offering and involves only the purchase of products. Purchaser is free to sell any items in the displays and/or vending machines and does not have to purchase such items at any time from Seller.
14. This Purchase Order pertains to, and is intended to be an initial order. Additional purchases may have different terms and conditions.
15. Purchaser may cancel this Purchase Order for any reason by mailing written notice of same to Seller if and only if said notice is postmarked within five days of Seller's receipt of payment in full.
16. This is not a franchise sale.



Merrill Lynch

Loan / Investment 288 Account System

OFFICE

LAS VEGAS CENTRE
450 NE QUASCO ST. STE 1000
FORT LAUDERDALE FL 33301-2223
954 574 5000

10/01/03

DEAR CUSTOMER,
IN COMPLIANCE WITH YOUR INSTRUCTION, ON 10/01/03
A WIRE TRANSFER IN THE AMOUNT OF \$60,000.00
WAS MADE FROM YOUR ME ACCOUNT NUMBER 741-41853
TO THE FOLLOWING BANK ACCOUNT:

SUNTRUST BANK, ATLANTA
DEBIT CORPORATION OF AMERICA

A/C: 100001850894

NORMAN KLUGMAN
3321 BUCKHEAD FOREST MEWS
ATLANTA GA 30305

ANY INQUIRIES CONCERNING THIS NOTICE
SHOULD BE DIRECTED TO THE BRANCH MANAGER

MERRILL LYNCH, PIERCE, FENNER & SMITH INC

EXHIBIT "B"

PURCHASE ORDER

DEBIT CORPORATION

OF AMERICA, INC.

3475 Sheridan Street, Suite 215F, Hollywood, FL 33021

Phone: (954) 981-4447 • Fax: (954) 981-4421

Toll Free: (800) 468-3213 • Fax: (800) 468-1836

ID# 003961

County Fulton, Gwinnet, Cobb, and DekalbPurchaser's Name Norman Klugman (Bradman LLC) Date 10/01/03Purchaser's Address 3321 Buckhead Forest MewsCity AtlantaState GAZip 30305Home Phone 404-848-2993Business Phone 404-909-0088

No. of Sales

Systems to ship: 28

Face Value of Prepaid MasterCard

Activation Certificates to ship: 21,000.00*SHIPPED BY 10/11/03*Purchase Price Sales Systems FREIGHT INCLUDED\$ 2200.00 per system

Purchase Price of Additional Items

\$ N/A

Total

\$ 61,600.00

Sales Tax (FL Residents Only)

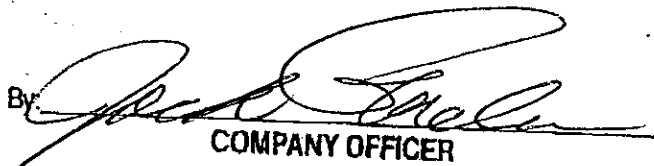
\$ N/A

Amount Paid

\$ 61,600.00

Special Provisions Above purchase includes ...
Master Distributorship status, First right of refusal on
said County's, access to distributor I.D. numbers
and a future system price of \$2200.00

Purchaser acknowledges the receipt of all Disclosure Documents of Seller ten (10) business days prior to acceptance and deposit of funds and that *this sale is subject to the terms on the reverse of this Purchase Order.*

By: 
 COMPANY OFFICER

ACCEPTED AND APPROVED

By: BRADMAN LLC Norman Klugman
 BUYER

AIN # BO2403

I have read and agree to the Terms and
 Conditions on the back of this Purchase Order.

Post-It™ brand fax transmittal memo 7671		# of pages > 1
To	BILL JUDE	
From	BRADMAN LLC	
Co.	B.C.F.	
Co.	NORMAN KLUGMAN	
Dept.	Phone #	
	404-909-0088	
Fax #	404-909-0088	

EXHIBIT "C"